

Message Text

CONFIDENTIAL

PAGE 01 EC BRU 02198 01 OF 02 201436 Z

51

ACTION SS-25

INFO OCT-01 ADP-00 /026 W

----- 124904

R 201344 Z APR 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 5094

INFO AMEMBASSY BONN

AMEMBASSY LONDON

C O N F I D E N T I A L SECTION 1 OF 2 EC BRUSSELS 2198

EXDIS NOFORN

E. O. 11652: GDS

TAGS: ENRG, EEC, US

SUBJECT: EC COMMISSION PAPER ON ENERGY POLICY

REF: (A) EC BRUSSELS 2018; (B) BONN 5579; (C) EC BRUSSELS 2173

SUMMARY: AS REPORTED IN REFTEL C, THE COMMISSION RELEASED THE TEXT OF ITS MEMORANDUM TO THE COUNCIL ON COMMUNITY ENERGY POLICY WHEN THE PRESS SPOKESMAN COMMENTED APRIL 19 ON THE PRESIDENT'S ENERGY MESSAGE. THAT PUBLIC TEXT HAS SOME MAJOR REVISIONS IN THE WORKING COPY WHICH WE WERE EARLIER PROVIDED, PARTICULARLY IN THE SECTIONS DEALING WITH RELATIONS WITH ENERGY-EXPORTING COUNTRIES AND WITH OIL COMPANIES IN THE COMMUNITY. THE MISSION'S INFORMAL TRANSLATION OF THE NEW PORTIONS FOLLOWS. END SUMMARY.

1. AS REPORTED BY BONN IN REFTEL B, THE ORDER OF THE PARAGRAPHS IN THE PAPER HAS BEEN REARRANGED. THE SECTION ON RELATIONS BETWEEN THE COMMUNITY AND ENERGY-IMPORTING COUNTRIES HAS BEEN MOVED UP TO BE FIRST AFTER THE INTRODUCTION. IN THAT SECTION (PARAGRAPH 25 IN EC BRUSSELS 2018) THE FOLLOWING SENTENCE HAS BEEN ADDED: QUOTE IT WILL BE NECESSARY TO ENSURE THAT DEVELOPING COUNTRIES WHICH ARE IMPORTERS OF ENERGY ARE ASSOCIATED WITH THIS COOPERATION. UNQUOTE.

2. THE FIRST SENTENCE OF PARAGRAPH 28 OF REFTEL A BECOMES: QUOTE THIS COOPERATION IS OF PRIORITY FOR THE COMMUNITY, BUT IT CANNOT RESULT IN THE ENERGY-IMPORTING COUNTRIES OPPOSING THE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 EC BRU 02198 01 OF 02 201436 Z

LEGITIMATE INTERESTS OF THE ENERGY- EXPORTING COUNTRIES UNQUOTE.

3. THE SECOND SECTION NOW DISCUSSES THE RELATIONS BETWEEN THE COMMUNITY AND THE ENERGY- EXPORTING COUNTRIES (PARAGRAPHS 23 AND 24 OF REFTEL A). THOSE PARAGRAPHS ARE REPLACED BY THE FOLLOWING: QUOTE THE PRIORITY OBJECTIVE OF AN ENERGY POLICY OF THE COMMUNITY IS TO SEARCH FOR A MEANS OF INCREASING SECURITY OF SUPPLIES. THIS OBJECTIVE IS PARTICULARLY EVIDENT WITH REGARD TO PETROLEUM WHERE THE COMMUNITY' S DEPENDENCE ON OUTSIDE SUPPLIES IS THE GREATEST UNQUOTE.

4. QUOTE THE BEST GUARANTEE OF SECURITY WILL BE OBTAINED WHEN A CLIMATE OF CONFIDENCE IS CREATED AND MAINTAINED BETWEEN THE COMMUNITY AND ITS SUPPLIERS. TO BE DURABLE, THIS CONFIDENCE MUST ARISE FROM A COOPERATION BASED ON THE SATISFACTION OF MUTUAL INTERESTS OF THE PARTIES. AT THE PRESENT TIME, THERE IS NO DOUBT THAT A LARGE DEGREE OF COMPLEMENTARITY OF INTERESTS EXISTS BETWEEN THE COMMUNITY, GREAT IMPORTER OF PETROLEUM AND GAS, AND CERTAIN EXPORTING COUNTRIES. THE LATTER CAN FIND IN EUROPE A POINT OF SALES FOR THEIR RAW OR MANUFACTURED PRODUCTS AND ALSO A CONTRIBUTION TO THE DEVELOPMENT OF THEIR ECONOMY AND PARTICULARLY GIVING VALUE TO THEIR NATURAL RESOURCES AND THEIR INDUSTRIALIZATION. UNQUOTE.

5. QUOTE THE COMMUNITY CAN BE PLEASED THAT SEVERAL ENERGY- EXPORTING COUNTRIES HAVE ACTUALLY TAKEN THE INITIATIVE OF OFFERING TO CONTRIBUTE TO THE SECURITY OF SUPPLY TO THE COMMUNITY AND OF EXPRESSING THE DESIRE FOR COOPERATION WITH THE LATTER. THE COMMUNITY WILL THEREFORE HAVE TO DEVELOPE APPROPRIATE RELATIONS WITH THE ENERGY- EXPORTING COUNTRIES. IN THIS CONTEXT, IT IS NECESSARY TO REMEMBER THT RELATIONS WITH CERTAIN OF THESE COUNTRIES WILL FURTHERMORE BE IN THE FRAMEWORK OF THE GLOBAL APPROACH WHICH THE COMMUNITY HAS ADOPTED REGARDING THE COUNTRIES OF THE MEDITERRANEAN BASIN UNQUOTE.

6. ORGANIZATION OF THE COMMUNITY OIL MARKET IS THE NEXT SECTION. PARAGRAPHS 6 THROUGH 9 OF REFTEL A ARE RETAINED BUT ARE PRECEDED BY THE FOLLOWING: QUOTE THE FIRST TASK, IN THIS REGARD, IS TO GUARANTEE EFFECTIVE COMPETITION AND TO ENSURE FREE CIRCULATION WITHIN THE COMMUNITY. THE REALIZATION OF THIS TASK STILL ENCOUNTERS THE OBSTACLE, AMONG OTHERS, OF THE TECHNICAL IMPEDIMENTS RESULTING FROM THE DIFFERENT SPECIFICATIONS OF PETROLEUM PRODUCTS. IT IS CONFIDENTIAL

CONFIDENTIAL

PAGE 03 EC BRU 02198 01 OF 02 201436 Z

APPROPRIATE TO PROCEED WITH THEIR HARMONIZATION UNQUOTE.

7. QUOTE AMONG OTHER THINGS, IT IS NECESSARY TO ESTABLISH URGENTLY A COMMON SYSTEM FOR THE IMPORT AND EXPORT OF PETROLEUM. THIS SYSTEM MUST INCLUDE A SURVEILLANCE OF THE IMPORTS OF PETROLEUM WHICH PERMITS TAKING, WHEN NECESSARY, THE REQUIRED MEASURES OF CONTROL. UNQUOTE.

8. PARAGRAPH 10 B OF REFTEL A HAS BEEN REWORDED: QUOTE CRUDE OIL MUST BE IMPORTED UNDER NORMAL CONDITIONS OF COMPETITION. IN ORDER TO ACHIEVE THIS, THE PUBLIC AUTHORITIES MUST HAVE KNOWLEDGE OF PRICE INDICATORS AT THE TIME OF ENTRY OF THE CRUDE OIL INTO THE COMMUNITY, BASED ON AN ASSESSMENT OF THE ACTUAL SUPPLY CONDITIONS UNQUOTE.

9. PARAGRAPH 10 C HAS ALSO BEEN REWORDED: QUOTE THE CONSUMERS MUST BE PROTECTED AGAINST UNJUSTIFIED PRICE INCREASES, WHILE THE OIL INDUSTRY MUST HAVE SUFFICIENT SELF- FINANCING APPROPRIATE TO ITS NEEDS. IT IS APPROPRIATE TO AVOID DISTORTIONS OF COMPETITION WITHIN THE COMMUNITY. THESE OBJECTIVES REQUIRE THAT THE PRICE SYSTEMS PRACTICES OF CERTAIN MEMBER STATES MUST BE ESTABLISHED ACCORDING TO COMPARABLE CRITERIA. IT WOULD ALSO BE APPROPRIATE TO STUDY THE MEANS OF ESTABLISHING A SYSTEM OF HARMONIZED PRICES AT A COMMUNITY LEVEL UNQUOTE.

10. PARAGRAPH 11 OF REFTEL A DEAL
E E E E E E E

ADP000
CONFIDENTIAL

PAGE 01 EC BRU 02198 02 OF 02 201442 Z

51
ACTION SS-25

INFO OCT-01 ADP-00 /026 W
----- 124969

R 201344 Z APR 73
FM USMISSION EC BRUSSELS
TO SECSTATE WASHDC 5095
INFO AMEMBASSY BONN
AMEMBASSY LONDON

C O N F I D E N T I A L SECTION 2 OF 2 EC BRUSSELS 2198

EXDIS NOFORN

11. QUOTE IT WOULD ALSO BE APPROPRIATE TO ESTABLISH A COOREDINATION (CONCERTATION) BETWEEN THE PUBLIC AUTHORITIES AND THE COMPANIES CITED ABOVE. THIS COORDINATION SHOULD, FIRST OF ALL, PROVIDE FOR FLEXIBLE PROCEDURES FOR MORE COHERENT AND ECONOMICALLY MORE RATIONAL COMMUNITY PETROLEUM SUPPLIES. FOR

THIS PURPOSE, THE COMPANIES WILL SUBMIT A FIVE- YEAR PROGRAM INDICATING THEIR INTENTIONS REGARDING IMPORTS AND INVESTMENTS. AMONG OTHER THINGS, THEY WILL CONSULT WITH THE PUBLIC AUTHORITIES PRIOR TO ALL NEGOTIATIONS WITH THE PRODUCING COUNTRIES UNQUOTE.

12. QUOTE CONSULTATION WILL ALSO BE CARRIED OUT REGARDING THE MANNER IN WHICH THE COMPANIES ARE PREPARED TO ACT WHEN FACED WITH POSSIBLE REDUCTIONS OR INTERRUPTIONS IN THEIR SUPPLIES UNQUOTE.

13. QUOTE FINALLY, THE COMPANIES WILL UNDERTAKE TO CONSULT ON A PRIORITY BASIS AMONG THEMSELVES REGARDING THE EQUILIBRIUM OF THEIR SUPPLIES AND THE REQUIREMENTS FOR CRUDE OIL ON THE BASIS OF NON-DISCRIMINATORY PRICE CONDITIONS UNQUOTE.

14. QUOTE THE COMMISSION WILL PROPOSE TO THE COUNCIL APPROPRIATE FORMS FOR THESE CONSULTATIONS. IT WILL ALSO EXAMINE THE POSSIBILITY OF ESTABLISHING A SYSTEM OF RECOGNIZED COMPANIES IN ORDER TO ATTAIN THE DESIRED OBJECTIVES. THE SYSTEM OF RECOGNIZED COMPANIES WOULD COMPRISE MUTUAL ADVANTAGES FOR THE ENTERPRISES WHICH SUBSCRIBED TO CERTAIN UNDERTAKINGS UNQUOTE.

15. COMMENT: WHILE IT APPEARS THIS FINAL VERSION IS A LOOSER ONE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 EC BRU 02198 02 OF 02 201442 Z

THAN THE TEXT TRANSMITTED WITH REFTTEL A IN SOME RESPECTS, WE WILL WISH TO CLARIFY THE MEANING OF CERTAIN PASSAGES WITH COMMISSION SOURCES WHEN THEY HAVE RETURNED FROM EASTER VACATIONS. WHEN THE FINAL OFFICIAL ENGLISH TEXT IS OBTAINED, WE WILL TRANSMIT IT UNCLASSIFIED TO THE NINE CAPITALS, TOKYO, AND U. S. MISSION OECD.
END COMMENT.
GREENWALD

CONFIDENTIAL

*** Current Handling Restrictions *** EXDIS

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 20 APR 1973
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973ECBRU02198
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: RR
Errors: n/a
Film Number: n/a
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730446/aaaaisfv.tel
Line Count: 209
Locator: TEXT ON-LINE
Office: ACTION SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: EXDIS, NOFORN
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: EXDIS, NOFORN
Reference: 73 EC BRUSSELS 2018, 73 BONN 5579, 73 EC BRUSSELS 2173
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags: ANOMALY
Review Date: 06 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: WITHDRAWN <01-Aug-2001 by reddocgw, EXDIS,NOFORN>; RELEASED <06-Sep-2001 by boyleja>; APPROVED <10-Sep-2001 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 980126
Subject: EC COMMISSION PAPER ON ENERGY POLICY
TAGS: ENRG, US, EEC
To: BONN
LONDON
SEC STATE
SS
STATE
Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005